

Georgia Department of Human Resources Division of Aging Services

Section 100 Administrative Guidelines and Requirements for Area Agencies on Aging

§104 Area Agency on Aging Fiscal Responsibilities

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§104.1 Purpose

Area Agencies on Aging shall demonstrate and maintain fiscal integrity in order to comply with Federal and State requirements and with all state and local laws pertaining to the financial operation of an Area Agency. The Division of Aging Services will, from time to time, develop policies, procedures, standards, program instructions through operations manual content, and technical assistance documents, as necessary to support and interpret applicable rules and laws.

§104.2 Purchases

Area agencies shall follow the criteria for determining allowable expenditures as prescribed in the Uniform Grant Management Standards, including OMB Circulars A-87 or A-122, as applicable, and the following additional criteria:

- (a) All purchases shall have been made by actual receipt of the service or merchandise or issuance of a purchase contract, voucher, or other legal document that binds both parties to the transaction, no later than the last day of the grant period for which funds have been budgeted and encumbered.
- (b) Actual receipt of the service or merchandise and payment shall be made prior to the due date of the closeout report for the contract period for which funds have been budgeted and encumbered.
- (c) Any service or merchandise placed on order in a fiscal program year, in accordance with subsection (a) of this section which does not also meet the criterion in subsection (b), shall be paid for with funds awarded for the fiscal year in which the service or merchandise is actually received and/or payment made.

§104.3 Independent Audit

- (a) Audit Standards and Regulations. Regional Development Centers housing area agencies on aging, and freestanding, private non-profit organizations designated as area agencies on aging, are subject to standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office; the Single Audit Act of 1984, including all updates and revisions; the

provisions of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, all applicable; and the Uniform Grant Management Standards.

- (b) The audit shall cover the entire organization and shall be conducted in accordance with generally accepted auditing standards. Additionally audits shall be conducted in accordance with any other audit guidelines or requirements promulgated by the Department.
- (c) The Regional Development Center/Area Agency shall provide and furnish the Department with an annual audit by an independent certified public accounting firm in accordance with OMB Circular A-133 within 30 calendar days following receipt of such audit, but in no case more than 180 days following the end of the agency's fiscal year end.
- (d) An Area Agency shall require all subcontractors to adhere to subsections (a) and (b) of this section, relating to requirements for independent audit in accordance with OMB Circular A-133.

§104.4 Internal Control Procedures

RDC/Area Agencies shall establish and maintain internal controls for themselves and assure that all subcontractors establish adequate internal controls. Agencies shall document policies and procedures, including, but not limited to:

- (a) cash control procedures, including requirements for handling participant contributions and guest fees; record keeping of cash receipts and expenditures; cash deposits; separation of cash handling from record-keeping responsibilities; and periodic reconciliation of all cash funds, including bank accounts;
- (b) a plan to equitably distribute on a timely basis the state's cash advance by the area agency to subcontractors;
- (c) bidding, purchasing and contracting procedures, in accordance with federal, state and local requirements;
- (d) requirements for bid guarantees, performance bonds, and payment bonds for bids and contracts for construction and facility improvements, if applicable;
- (e) policies affecting authorization of and reimbursement for in-state and out-of-state travel, including required signatures and supporting documentation.

**§104.5 Indirect Cost
Allocation Plan**

- (a) The RDC/Area Agency shall develop an Indirect Cost Allocation Plan approved in accordance with the Uniform Grant Management Standards. Agencies shall submit documentation of compliance with official signatures of the contracting authority as part of the Area Plan and for subsequent annual plan updates.
- (b) All cost allocation plans shall provide sufficient detail, as defined by the Division, to allow proper evaluation of the plan.

§104.6 Disallowed Costs

- (a) In accordance with OMB Circular A-133 and Uniform Grant Management Standards, determination shall be made by an independent audit and/or monitoring by the Department or Division relating to the allowable use of federal, state, and matching credit funds in accordance with OMB Circulars A-87, A-122, and other applicable laws, regulations and circulars promulgated by recognized authoritative bodies.
- (b) Any costs found to be unallowable, in accordance with those regulations referenced in §104.4(a) shall be designated as questioned costs.
- (c) To recover unresolved questioned costs revealed by an audit or monitoring activity, the Department or Division will send a Letter of Notification of Disallowance with Intent to Recover Costs by registered mail, return receipt requested, within 60 (sixty) calendar days following the failure to resolve all such questioned costs. The 60 calendar day period shall begin the day following the end of the six month period allowed for resolution in accordance with OMB Circular A-133.
- (d) The RDC/Area agency shall resolve all findings and questioned costs within six months of receipt of the audit or notice of questioned costs, unless it requests and receives an extension from the Department/Division.
- (e) The RDC/Area Agency shall be liable to the Department/ Division for any costs disallowed as a result of unresolved questioned costs revealed during an audit or monitoring relating to aging programs and/or expenditures.

- (f) Failure of the RDC/Area Agency to secure an acceptable independent audit from a subcontractor, when required by law, within the time frame established in §104.5(d), relating to the recovery of questioned costs, shall be deemed non-resolution. Non-resolution shall be subject to such action as deemed appropriate by the Division in accordance with any sanctions or remedies, current or future, which may be developed and applied.
- (g) Disallowance resulting from non-receipt of required subcontractor audits shall be resolved in the same manner as if revealed by an independent audit or monitoring activity.

§104.7 Recapture of Payments

- (a) Recapture of payments may occur when costs have been disallowed by the Department/Division, or if the agency has received funds in excess of those actually earned. The Department/Division may take appropriate action including requiring the repayment of and/or withholding of funds in such cases that overpayment has occurred.
- (b) Any agency having funds recaptured because of a disallowance, in accordance with §104.5, shall waive all rights to such funds and shall not receive any of the funds as a part of a future allocation.

§104.8 Contract Certifications Certifications required of all RDCs/Area Agencies include but are not limited to:

- (a) Debarment and Suspension.
 - (1) The area agency shall not knowingly deal with any person, business or other entity which has been suspended or debarred from receiving federal funds under 45 CFR, §76.200, concerning non-procurement, or 45 CFR, Part 1229, Government wide Debarment and Suspension (non-procurement) and Government wide Requirements for Drug-Free Workplace (Grants.)
 - (2) For each federal fiscal year the agency shall secure a Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts and Grants from any potential subcontractor, at any level, for which such certification is required, prior to issuing any award, grant or contract.

- (b) Americans with Disabilities Act. The agency shall not purchase services from any subcontractor not in compliance with the provisions of the Americans with Disabilities Act.

§104.9 Budget Submissions

- (a) An Area Agency shall submit an annual budget, in the format specified by the Division, which reflects the scope of the approved area plan. The plan and budget may be developed based on planning allocations or a budget which is carried forward from the previous fiscal year as a planning budget, pending the issuance by the Division of final allocations.
- (b) The agency shall submit the budget amendment to the Division for approval prior to its implementation.
- (c) In general, area agencies shall submit budget amendments/revisions to the Division no later than 45 days following notification of changes in funding levels/availability.

§104.10 Contracting

The authority for the Area Agency to enter into service provider contracts is based on the Older Americans Act of 1965, as amended, and its regulations; United States Health and Human Services regulations on Administration of Grants; Title 45 CFR, Part 74; Title 45 CFR, Part 92; ; Title 45 CFR, Part 1321, et. seq.; Title 45 CFR, Part 91.; and all policies and rules established by the Department/Division; and with all state and local laws as they pertain to contracting and reimbursement methodologies. The Area Agency and all subcontractors/service providers shall comply therewith. (Also see §102.14, Competitive Procurement Process.)

- (a) When purchasing services, the Area Agencies shall use either cost reimbursement or unit rate reimbursement contracts, as follows.
 - (1) Cost reimbursement: In cost reimbursement contracts, the area agency pays the subcontractor on a reimbursement basis for services rendered. Reimbursement shall not be adjusted to offset poor management planning. Adjustments to the share of expenses that federal and/or state funds will pay must be requested in writing by the subcontractor/service provider and may only be considered by the area agency in instances where:

- (A) a subcontractor experiences significant operating losses due to events over which it has no control or reasonably could not have anticipated; or
 - (B) a subcontractor experiences excess revenues over operational costs due to unanticipated and/or unbudgeted additional resources; or
 - (C) there are reductions in expenses due to changes in cost allocation methodology.
- (2) Fixed Unit Rate: In performance-based contracting, the area agency agrees to pay the subcontractor/service provider in the amounts and upon the terms, provisions and budgets set forth in the contract as a result of negotiation of an acceptable and suitable unit rate. The subcontractor/service provider agrees to deliver specific services on an at-risk basis. The Uniform Cost Methodology is used to establish unit costs for fixed rate reimbursements (see §104.14). The UCM also may be used to establish variable unit rates specific to certain types of service, such as home modification or repair, or where specialization within a service would create differing rates, such as enhanced or extended respite care services.
- (b) Sole Source Procurement. Area agencies may use the sole source procurement method only when the award of a contract is not feasible under other procurement methods. In this event, the agency shall comply with procedures established in 45 Code of Federal Regulations Part 92.36(d)(4), concerning procurement by non-competitive bidding, and with §102.14, Competitive Procurement.
- (c) Competitive Bids. Area agencies shall comply with competitive bidding procedures to promote fair and open competition in the procurement process through the use of formal bidding, informal bidding/quotes or competitive proposals, as appropriate. Agencies shall maintain documentation to demonstrate all such efforts.

- (d) All subcontractors/service provider contracts shall require a subcontractor/provider to have and use an accounting system which identifies all costs for each specific service being purchased or provided and which complies with 45 Code of Federal Regulations, Section 1321, Subpart D , "Service Requirements" (Older Americans Act regulations).

§104.11 Service Match

- (a) In order to fulfill the match requirements of the Older Americans Act, 1965, as amended, Area Agencies and their service providers shall provide a minimum of 10% non-federal match funds for the cost of Older American Act Services. Area Agencies also shall provide local matching funds for allocations from the Social Services Block Grant, in amounts/percentages established by the Division.
- (b) The local share of service funding shall be in the form of cash or non-cash (in kind.)
- (c) The value of non-cash match shall be based on a fair market value of the services and goods supplied in support of the service or activity provided.
- (d) Agencies shall document the value of staff time used as non-cash match by time sheets signed by the paid staff or volunteer.
- (e) Agencies will report cash and non-cash match by submitting DHR/DAS Form 5215, "Report of Certified Costs" monthly.

**§104.12 Area Agency on Aging
Administrative Match**

- (a) In order to fulfill the match requirements of the Older Americans Act, as amended, area agencies shall provide a minimum of 25% non-federal match funds for the cost of administration of area plans.
- (b) The non-federal share shall be cash or non-cash.
- (c) The value of non-cash match shall be based on a fair market value of the services and goods supplied in support of the service or activity provided.
- (d) Agencies shall document the value of staff time used as non-cash match by time sheets signed by the paid staff or volunteer.

§104.13 Program Income

Program income contributions shall be administered in accordance with 45 CFR, Part 1321; 45 CFR, Part 92.25, and the Uniform Grant Management Standards. Reimbursement shall not be made in excess of actual allowable expense, less program income received during the reimbursement period. Revenues generated from cost-shared services are treated as program income.

**§104.14 Adequate Proportion or
Minimum Percents for Older Americans
Act Priority Services¹**

- (a) Each Area Agency shall provide an adequate proportion of funding received through Title III-B of the Older Americans Act, as amended, for supportive services in the Act. Calculation of the minimum percents are based on the pre-shift amount of the Title III-B allocation for the appropriate fiscal year.
- (b) Adequate proportions of funding for support services shall include each of the following support services categories and their designated services:
 - (1) Access services. Services associated with access to other services, such as transportation, outreach, information and assistance, and case management services. The Area Agency shall provide a minimum of 12% of funding for this category overall.
 - (2) In-home services. Supportive services such as homemaker, home health assistance, visiting and telephone assurance, chore maintenance and supportive services for families of older persons with Alzheimer's disease and related disorders with neurological and organic brain dysfunction. The Area Agency shall provide a minimum of 5% of funding for this category overall.
 - (3) Legal assistance . This includes legal representation, legal counseling, and the provision of information. The area agency shall provide a minimum of 12% of funding, or \$40,000, whichever is greater, for this category overall.

¹ This section incorporates and supercedes DAS Procedural Issuance 128, October 23, 1998, "Minimum Percents for Priority Services and Maintenance of Effort Policy."

- (c) An Area Agency may request a waiver from the Division for expending an adequate proportion of Title III-B funding for supportive services, if it meets the following criteria:
 - (1) The Area Agency holds at least one public hearing on the area plan or area plan update or amendment, containing a request for waiver of the adequate proportion requirement. The agency shall notify all interested parties in the area of the public hearing and provide with an opportunity to testify.
 - (2) The Area Agency provided acceptable justification to demonstrate that an adequate supply of a specified support service is available to meet the needs of the service area.
 - (3) The Area Agency will submit separate waiver requests for each category of support service for which a waiver is sought.

**§104.15 Long Term Care Ombudsman
Program Maintenance of Effort**

The Area Agency shall meet the requirements for maintenance of effort of funding as defined in the Older Americans Act, §306(a)(11), and any additional requirements established by the State Office of the Long Term Care Ombudsman. The State Office of the Long Term Care Ombudsman Program will develop and issue guidance in sufficient time prior to the development of allocations and area plan budgets to enable the area agencies to comply with this requirement.

**§104.16 Uniform Cost
Methodology**

All service providers, including Area Agencies providing direct services, will prepare annual budgets based on the Division's Uniform Cost Methodology spreadsheets, for all services as defined in the DAS Taxonomy of Service Definitions, regardless of whether or not the service reimbursement is based on a unit cost rate. The spreadsheets are to be completed prior to the development and submission of the Area Plan/updates. Agencies are to develop separate unit costs for each service to be provided. Designated services are reimbursed on a unit cost basis.²

Effective Date: Upon issuance.

² Unit cost reimbursed services include Adult Day Care, Assisted Transportation, Chore services, Congregate Meals, Counseling, Emergency Response services, Home Delivered Meals, Home Health services, Homemaker services, Nutrition Counseling, Nutrition Education, Nutrition Screening, Personal Care services, Respite Care services, and Transportation.

Appendix 104-A
Allowable Services by Fund Source

Allowable Services by Fund Source

The following table contains the non-Medicaid services according to the DAS Taxonomy of Service Definitions. The major fund sources listed are –

Older Americans Act, Title III-B, Supportive Services, including Legal Services
and Ombudsman Services
Title III-C₁ and C₂, Nutrition Services
Title III-D, Disease Prevention and Health Promotion Services
Title III-E, National Family Caregiver Support Program
Title V, Senior Community Service Employment Program
Title VII, Elder Rights Protection Activities

Social Services Block Grant

State Community Based Services funds

State Alzheimer's funds

State Income Tax Checkoff funds

Other funds, including Georgia Caregiver Resource Center funds and GeorgiaCares

For the Older Americans Act funding, unless otherwise indicated, the table refers to Title III.

Table 104-A-1

Fund source → ↓ Service	OAA	SSBG	State CBS	State Alzheimer's	State Tax Checkoff	Other
Chore	√	√	√			
Homemaker	√	√	√	√ ³		
Home Modification/ Home Repair	√	√	√			
Personal Care	√	√	√	√ ⁴		
Adult Day Care Day Health	√	√	√	√		√ ⁵
Respite Care	√	√	√	√		√ ⁶
Counseling	√					
Emergency Response System Services	√					
Exercise/Physical Fitness	√					
Health Related Services/Health Screening	√					
Health Promotion/Disease Prevention	√					
Medications Management	√					
Congregate Meals	√	√	√			
Home Delivered Meals	√	√	√		√	
Nutrition Screening	√		√			
Nutrition Education	√		√			

³ Respite Care provided through State Alzheimer's funds may include homemaker tasks.

⁴ Respite Care provided through State Alzheimer's funds may include provision of personal care.

⁵ Social Model daycare may be provided through Georgia Caregiver Resource Center funding

⁶ Georgia Caregiver Resource Center

Table 104-A-1, continued

<div> <div>Fund source →</div> <div>↓ Service</div> </div>	OAA	SSBG	State CBS	State Alzheimer's	State Tax Checkoff	Other
Nutrition Counseling	√		√			
Consumer Protection/Crime Prevention	√					
Health Insurance/Benefits Counseling			√			√ ⁷
Legal Services	√ Title VII					
Long Term Care Ombudsman Services	√ Titles III & VII		√			
Elder Abuse Prevention	√ Title VII			√		
Friendly Visiting	√					
Interpreting/Translating	√					
Recreation Services	√					
Telephone Reassurance	√					
Volunteer Development/Services	√					√ ⁸
Transportation	√	√	√		√	
Assisted Transportation	√	√	√			
Case Management	√	√	√			
Community/Public Education	√					√ ⁹
Home Sharing/Roommate Matching	√					

⁷ GeorgiaCares Program

⁸ GeorgiaCares Program

⁹ GeorgiaCares Program

Table 104-A-1 continued

<div style="display: inline-block; text-align: center;"> <div style="display: inline-block; transform: rotate(-45deg);"> Fund source → ↓ Service </div> </div>	OAA	SSBG	State CBS	State Alzheimer's	State Tax Checkoff	Other
Outreach	√					√ ¹⁰
Information and Assistance	√		√			
Placement Services	√					
Employment Services	√ <i>Title V</i>					
Material Aid	√					
Home Management		√	√			

¹⁰ GeorgiaCares Program - health insurance outreach